

Senate File 2302 - Introduced

SENATE FILE 2302
BY COMMITTEE ON ECONOMIC
GROWTH/REBUILD IOWA

(SUCCESSOR TO SF 2215)

A BILL FOR

1 An Act relating to bidding for purchases through a competitive
2 bidding process by the state or political subdivisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 8A.311, Code Supplement 2011, is amended
2 by adding the following new subsections:

3 NEW SUBSECTION. 12A. If the lowest responsive bid received
4 by the state or a political subdivision for products or other
5 purchases is from an out-of-state business and totals less
6 than five hundred thousand dollars, and an Iowa-based business
7 submitted a bid which is within five percent or ten thousand
8 dollars of the price of the lowest bid, whichever is less, the
9 Iowa-based business which submitted the lowest responsive bid
10 shall be notified and shall be allowed to match the lowest bid
11 before a contract is awarded.

12 NEW SUBSECTION. 12B. A response to a request for bids
13 or proposals for products or other purchases by the state
14 or a political subdivision which totals less than five
15 hundred thousand dollars in value shall contain the following
16 information:

17 a. The percentage of the ownership of the submitting
18 business which is held by Iowa residents.

19 b. The percentage of the employees who will be carrying out
20 work in connection with the contract who are Iowa residents.
21 For the purposes of this paragraph, "employee" includes
22 part-time, temporary, contract, and substitute employees, and
23 includes employees of any contractors or subcontractors.

24 c. An estimate of the percentage of purchases to be made by
25 the submitting business in connection with the contract that
26 will be made from Iowa-based businesses.

27 d. The amount of property tax paid by the submitting
28 business during the most recently completed fiscal year for
29 which such a figure is available.

30 EXPLANATION

31 This bill provides that for purchases initiated by the
32 state or a political subdivision through a competitive bidding
33 process, if the lowest responsive bid received is from an
34 out-of-state business and totals less than \$500,000, and an
35 in-state business submitted a bid which is within 5 percent or

1 \$10,000 of the price of the lowest responsive bid, whichever
2 is less, the state or political subdivision shall notify the
3 in-state business which submitted the lowest responsive bid
4 and allow it to match the lowest responsive bid from the
5 out-of-state business before a contract is awarded.

6 The bill also provides that a response to a request for
7 bid or proposal for a purchase by the state or a political
8 subdivision which is less than \$500,000 in value must contain
9 certain information. The required information is the
10 percentage of the ownership of the submitting business which is
11 held by Iowa residents; the percentage of employees who will be
12 carrying out work in connection with the contract who are Iowa
13 residents; an estimate of the percentage of purchases to be
14 made by the submitting business in connection with the contract
15 that will be made from Iowa-based businesses; and the amount
16 of property tax paid by the submitting business during the
17 most recently completed fiscal year for which such a figure is
18 available. For the purposes of determining how many employees
19 carrying out work in connection with the contract will be
20 Iowa residents, "employee" includes part-time, temporary,
21 contract, and substitute employees, and includes employees of
22 any contractors or subcontractors.